Action (OFFICIAL TRANSLATION) Control: 1755 Rec'd: SEPTEMBER L. 1962 8:21 P.M.

FROM: MEXICO CITY

Secretary of State

NO:

732, SEPTEMBER 4

PRIORITY

TO:-

ACTION DEPARTMENT 732, INFORMATION MONTEVIDEO 8, SANTIAGO 8, BUENOS AIRES 9, LIMA 14, QUITO 4, ASUNCION 5, BOGCTA 4, RIO DE JANEIRO 6. GENEVA 7

GENEVA FOR GATT

LAFTA CONFERENCE VOTED EVENING SEPTEMBER 3 TO EXCLUDE CUBA BY VOTE 7 TO NOTHING, MEXICO AND BRAZIL ABSTAINING. CONFERENCE ADOPTED RESOLUTION 36 AGAINST ADMISSION ANY COUNTRY WITH INCOMPATIBLE ECONOMIC SYSTEM AND RESOLUTION 37 NAMING CUBA AS SUCH A COUNTRY. TEXTS FOLLOW. MEXICO AND BRAZIL ABSTAINED JUDICIAL GROUNDS ARTICLE 58 DID NOT PROVIDE FOR EXCLUSION ANY APPLICANT, BUT BOTH ACKNOWLEDGED CUBAN SYSTEM INCOMPATIBLE WITH LAFTA. REGULAR PLENARY SESSIONS RESUMED SEPTEMBER 4.

RESOLUTION 36

THE CONFERENCE OF THE CONTRACTING PARTIES, DURING ITS SECOND PERIOD OF REGULAR SESSIONS,

CONSIDERING THAT THE PARTIES TO THE MONTEVIDEO TREATY,

IN ESPABLISHING A FREE TRADE AREA AND INSTITUTING THE

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a tellostrations.

T. TIN AMERICAN FREE TRADE ASSOCIATION, RESOLVED TO MAKE THE GREATEST POSSIBLE EFFORT TO CREATE A LATIN-AMERICAN COMMON MARKET AS A RESULT OF THE GRADUAL ELIMINATION OF THE RESTRICTIONS IMPOSED ON THE EXCHANGE OF GOODS, SERVICES, AND CAPITAL; THAT ADHERENCE TO THE TREATY BY THE LATIN-AMERICAN STATES OF NECESSITY IMPLIES THE TECHNICAL AND ECONOMIC COMPATIBILITY OF THEIR RESPECTIVE SYSTEMS WITH THE MONTEVIDEO TREATY;

THAT IT IS INCUMBENT ON THE CONFERENCE, IN ACCORDANCE WITH ARTICLE 34 OF THE TREATY, TO TAKE ALL DECISIONS CONCERNING MATTERS REQUIRING A JOINT DECISION BY THE CONTRACTING PARTIES AND, IN PARTICULAR, TO REACH AN UNDERSTANDING IN MATTERS OF COMMON INTEREST.

RESOLVES:

FIRST. THAT, FOR THE REASONS SET FORTH ABOVE, IT IS
NOT PROPER TO ACCEPT THE DEPOSIT OF INSTRUMENTS OF ADHERENCE
BY ANY COUNTRY THAT MAINTAINS AN ECONOMIC SYSTEM INCOMPATIBLE '
WITH THE MONTEVIDEO TREATY.

SECOND. TO COMMUNICATE THIS RESOLUTION TO THE GOVERNMENT OF THE ORIENTAL REPUBLIC OF URUGUAY FOR THE NECESSARY PURPOSES.

RESOLUTION 37

THE CONTERPOSE OF THE CONTRACTING PARTIES, DURING ITS

THE TRY SAPRATER A. THE TE SEE OF BELL

DECLARES

THAT THERE IS ABSOLUTE INCOMPATIBILITY BETWEEN THE CONOMIC SYSTEM OF CUBA AND THE MONTEVIDEO TREATY AND RESOLVES:

AGESTES DE LO TRANSCOMO DE LO DESENTA DE LA COMPETA DE

FRIST. THAT, CONSEQUENTLY, IT IS NOT PROPER TO ACCEPT THE DEPOSIT OF THE INSTRUMENT OF ADHERENCE OF THE REPUBLIC OF CUBA TO THE MONTEVIDEO TREATY AS LONG AS ITS PRESENT ECONOMIC SYSTEM CONTINUES.

SECOND. TO COMMUNICATE THIS RESOLUTION IMMEDIATELY TO THE GOVERNMENT OF THE ORIENTAL REPUBLIC OF URUGUAY FOR SUCH PURPOSES AS MAY BE NECESSARY.

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NOTE: Foreign language text received September 4, 1962.